

# EUROPE WITHOUT ILLUSIONS

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*The Paul-Henri Spaak Lectures, 1994-1999*

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## Introduction

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### EUROPE WITHOUT ILLUSIONS

Andrew Moravcsik

Future historians may someday look back on the 1990s as the decade when Europeans began to view the European Union without illusions.<sup>1</sup> For almost fifty years after World War II, geopolitical imperatives—the democratization of Germany and Italy, the communist menace at home and abroad, and the omnipresence of United States military power—masked the foundation on which postwar European integration was built; namely, the management of commercial and financial interdependence. Instead, integration was justified on ideological and geopolitical grounds. Support for the European Union (EU) in this period rested on a “permissive consensus” of favorable public opinion, which permitted centrist political parties to satisfy the economic demands of powerful producer groups, while justifying their actions with arguments about the role of the EU in promoting democracy and peace.

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1. The first draft of this paper was delivered as the opening lecture at the Third Harvard University—Spaak Foundation Conference, “Les relations transatlantiques un an après le 11 septembre 2001” (Brussels, September 6–8, 2002). I am grateful to Renato Ruggiero and other participants at that conference for their comments and criticisms.

With the exception of a few salient episodes—the French debate over the European Defense Community and the British referendum of 1975 come to mind—fundamental assumptions about the proper form and substance of European economic integration were almost never put to public debate. The future of Europe was instead placed in the hands of prominent statesmen (and sometimes officials and judges) who believed in the European project, Paul-Henri Spaak being a noble example. They charted the way forward and constructed the major pillars of the EU: the customs union, the Common Agricultural Policy, the supremacy of European law as proclaimed by the European Court of Justice, the directly elected European Parliament, the single market, and monetary integration.

This quiet, elite-driven style of EU politics came to an end a decade ago. In the wake of the Single European Act of 1986, the Maastricht Treaty of 1991 and enlargement to include three new members, the old basis of European integration began to be questioned. Referenda on the 1991 Maastricht Treaty in Denmark, France, and Ireland sparked widespread, if somewhat demagogic, public deliberation, and national constitutional courts, notably in Germany, squarely placed the issue at the heart of national legal debates. Discussion was later energized by new challenges—regional stabilization, democratization, and enlargement—emerging out of the post-cold war world.

In the decade that followed, a wide-ranging debate has emerged over the deeper purposes, technical efficiency, institutional appropriateness, and democratic legitimacy of the EU. While Oxford don Larry Siedentop recently asked in a widely read book “Where are the Madisons for Europe?”<sup>2</sup> a more appropriate question for those who follow continental debates, is: “Why are there so many Madisons?” For the debate over the future of the EU has engaged an extraordinary number of Europe’s leading public intellectuals, journalists, and politicians. Jürgen Habermas, Alain Minc, Anthony Giddens, and Timothy Garton Ash head the list of hundreds of scholars debating its democratic legitimacy, while elite European newspapers devote entire sections to proposed provisions for a European constitution. In fact, one is hard-pressed to find a leading European prime minister, president, or foreign minister who has not advanced a detailed scheme for reform of the European constitutional order. In the past two years alone, Prime Ministers Tony Blair of the United Kingdom and Jose-

2. Larry Siedentop, *Democracy in Europe* (New York: Columbia University Press, 2001).

Maria Aznar of Spain, French President Jacques Chirac, German Foreign Minister Joschka Fischer, former Italian Premier Giuliano Amato, European Commission President Romano Prodi, and many others have done so. And now a constitutional convention is charged with crafting something enduring from all these ideas.

This criticism and debate does not mean that European integration is faltering. The decade from 1993 to 2003 may indeed be the most successful in EU history, marked by deepening of the internal market program; realization of a single currency; enlargement to include Austria, Sweden and Finland; increased activities on social, defense, and immigration policy; the conclusion of negotiations for enlargement to include five to eight new members to the East and South, and, we expect, a new constitutional document for Europe. The EU has been and remains, by any reasonable standard, the most successful voluntary international organization in world history, and understanding its distinctive dynamics has become essential for any serious analyst of world politics.

The shift in European discourse from uncritical public acceptance of integration to a more critical yet still constructive tone is reflected in the five statesmen—Roy Jenkins, Renato Ruggiero, Ralf Dahrendorf, Uffe Ellemann-Jensen, and George Papandreou—who delivered Spaak Lectures at Harvard University in the period from 1994 through 2000. Their reflections command our attention not just because in each case they were written by practitioners of considerable intelligence, insight and, in two cases, scholarly credentials, but because they differ so strikingly in both tone and topic from the Spaak Lectures of the preceding decade and a half.<sup>3</sup> Three differences in particular illustrate the depth and direction of recent changes of the political mood in Europe.

First, there is a shift from military to civilian topics. Whereas earlier speakers focused primarily on NATO and transatlantic relations, these five speakers hardly mention such matters; indeed, they hardly discuss pure geopolitical or security affairs at all.<sup>4</sup> Instead, four of the five focus on

3. For previous lectures, see Richard C. Eichenberg, *Drifting Together or Apart? U.S.-European Relations in the Paul-Henri Spaak Lectures, Harvard University, 1981-1984* (Lanham, MD: University Press of America, 1986); Center for International Affairs, *Allies or Adversaries? U.S.-European Relations in the Paul-Henri Spaak Lectures, Harvard University, 1985-1992* (Lanham, MD: University Press of America, 1993).

4. Papandreou’s discussion of the Balkans is the only major exception.

policies directly related to the EU, while Ruggiero dwells on the relationship between the General Agreement on Tariff and Trade/World Trade Organization (GATT/WTO) system and regional institutions like the EU. This indicates not just a shift in public attention from transatlantic relations to European events, but signals an even deeper shift from the unquestioned primacy of security matters in the cold war to a more balanced attention to social and economic interactions among countries in the post-cold war period.

Second, greater attention is paid to historical change. As befits commentators in any period of fundamental transformation, each speaker seeks to situate the current state of the EU in historical perspective. This is particularly striking in the cases of Lord Jenkins and Lord Dahrendorf, who devote the greater part of their essays to the history of the EU. Ellemann-Jensen, Ruggiero, and Papandreou also advance intriguing historical claims. This implies that the fundamental concerns regarding European integration have shifted in recent years.

Third, while each of the five speakers sincerely professes to be a "European," most are deeply critical of past and current EU policy. This reflects one of the most intriguing developments in contemporary Europe—the emergence among national political elites of a range of more skeptical positions with regard to the EU. Before 1991, with the exception of the French Gaullists of the early 1960s and the British Tories of the 1980s, it would have been difficult to find a governing party in Europe that was fundamentally critical of the course of European integration. To be sure, there was much criticism in opposition, and there were endless squabbles, some quite heated, over the distribution of funds, not least in the agricultural sector. And, of course, many European leaders were far more skeptical in private—Helmut Schmidt and Valéry Giscard d'Estaing are examples. Yet fundamental criticism of the legitimacy or desirability of the current EU structure remained essentially outside the scope of acceptable public debate for all except the representatives of the extreme left and right. Instead, politicians invoked a set of symbols and myths, of varying degrees of appropriateness and accuracy, about the beneficial consequences of integration and the continuing need for "ever closer union." After 1991, however, major European politicians began to stake out a series of subtly differentiated critiques and proposals for EU reform, some quite unorthodox—of which the essays by Lord Dahrendorf, Ellemann-Jensen, and Ruggiero provide particularly thoughtful examples.

Taken together, these critiques cast doubt on nearly all the underlying core beliefs used to legitimate European integration during Spaak's gener-

ation: the central role of integration in preventing war in Europe; the use of European ideals as an antidote to nationalism; the need for Europeanism as a bulwark against domestic and foreign communism; the inevitability of spillover into ever expanding activities; the destiny of the EU to become a centralized federal state; the conception of EU officials as impartial administrators of the common interest; and the higher purpose justifying the EU's lack of traditional democratic institutions. All these things, and more, are questioned by these writers, just as they have been in recent European debates.

For each speaker, as for many Europeans, the central question for the future is: How can we justify and legitimate European integration in an era when it is increasingly viewed without the help of ideological and geopolitical illusions? Consideration of what public justification is required for European integration raises a number of significant issues, which I have used to organize my commentary on the Lectures. Each of these issues is central to the future constitutional evolution of a united Europe.

First, there is matter of the historical role of the founding European myths and beliefs on the continent. Which specific myths were most important? What precise role did they play? This issue is raised by Lord Dahrendorf, as well as Ullemann-Jensen and Ruggiero, and is addressed in the first section of this essay.

Second, there is the curious history of the United Kingdom and a few other more pragmatic and sometimes outright "Euroskeptical" countries that resisted the lure of such ideologies. Britain has long harbored lukewarm attitudes toward the EU. What makes Britain distinctive in this regard, and what does British "exceptionalism" tell us about the European project? This issue is addressed in the lecture by Lord Jenkins, and in the second section of this essay.

Third, there is the question whether the founding myths of the EU are in fact true. Is it in fact the case that economic integration prevents war, or that it necessarily leads to political union? This issue is raised with particular force by Lord Dahrendorf, while interesting contributions to the analysis are made by Ellemann-Jensen and Papandreou as well. This is the topic of the third section of this essay.

Fourth, and most important for current policy, is the issue of whether the recent deepening of European integration has pushed the EU too far; that is, beyond the constraints imposed by sensible policy analysis and the need for democratic legitimacy. This is, in one form or another, the concern of every one of the Spaak Lecturers.

This essay takes the opposite position. My central contention is that the EU, the most successful example of peaceful, voluntary international cooperation in world history, remains stable and strong. It is easy—too easy, recent public debates suggest—to criticize the EU by holding it up against a philosophical ideal of a unified national state governed by a sovereign parliament. This idealistic starting point naturally gives rise to criticisms such as those we have just considered—that is, that the current institutional structure of the EU, with its complex compromises of nationally and regionally specific elements, breeds insularity and protectionism, generates division and conflict, and exacerbates the perception that the EU is democratically illegitimate.

I reject each of these criticisms. The EU is democratically legitimate as it stands, and widespread efforts to reform it in a more participatory or majoritarian direction, not least in the current constitutional convention, are therefore unwarranted. It is no surprise that the new constitution seems destined to be a conservative, consolidating document, rather than revolutionary one; when governments are taking a good close look at EU institutions, they seem to reflect the complex trade-offs of this extraordinary multilevel polity. In particular, I argue in the fourth section below, the past ten years have not, in fact, confirmed most of the concerns voiced by the Spaak lecturers, and by critics of the EU's democratic legitimacy more general. Instead, the EU has deepened the single market, established a single currency, and agreed to expand to the East—all without a noticeable diminution in either efficiency or legitimacy. The EU is here to stay, and while not all aspects of European regional governance are laudable, the institution is, on balance, stronger and larger than ever. Rather than asking, as many have in the recent constitutional deliberation, when the EU will become more like the U.S., we should be asking when the U.S. will become more willing to accept the sort of effective multilateral institutions Europe has pioneered.<sup>5</sup>

### The Power of European Myths

The conventional wisdom about the origins of the European Union, repeated in endless Commission pamphlets, Sunday speeches, and

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5. This is one way to respond to the challenge set forth by Robert Kagan in *Of Paradise and Power: America and Europe in the New World Order* (New York: Knopf, 2003).

journalistic commentaries—and not a few historical monographs—is that the EU was not simply an economic project, but was above all a response to overarching geopolitical concerns. In his 1996 Spaak Lecture, “From Europe to *EU*rope: A Story of Hope, Trial and Error,” Lord Ralf Dahrendorf states this view with great clarity, stressing the role of political ideology in motivating European integration on the continent since 1957.

Lord Dahrendorf recognizes that European integration, despite being an essentially economic project, was consistently justified in idealistic and geopolitical terms. For Lord Dahrendorf, as for most Germans, the key source of such ideological support for the EU was never simply “European federalist” idealism or cold war anticommunism. What held together the project, in his view, was above all the desire to restrain Germany.

[European integration] since 1945... was always about Germany... At least three German chancellors—Adenauer, Schmidt, and Kohl—showed a strong sense of the need for German *Selbsteinbindung*... All the way to monetary union, one motive force of European integration has remained the desire to keep Germany within the fold... of the liberal democracies of the world... [D]emocracy at home is also as solid a guarantee against aggression abroad as one can hope for.<sup>6</sup>

This view is echoed by former Danish Foreign Minister Uffe Ellemann-Jensen, whose 1997 Spaak Lecture, “The New Europe: How to Overcome Forty Years of Division,” restates the political interpretation of European integration in its strongest possible form.

[Y]ou must know what really lies behind European integration ... Out of the despair [of World War II] grew the idea that a united Europe would make war impossible... Although the agreement evolved from an arrangement initially dominated by economic issues to one increasingly dominated by political concerns, the fundamental objective remained the same: integration should lead to peace and liberty. *That* was always the goal. Economic integration—pooling the resources—was always the means, not the end... It is very important to keep this in mind: *European integration is first and foremost a political endeavor.*<sup>7</sup>

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6. Dahrendorf, pp. 82-83.

7. Ellemann-Jensen, pp. 96-97.

European integration, in Ellemann-Jensen's account, was meant to render war between European governments impossible, to support the West in a continent "divided between two ideological systems" and, more recently, to strengthen new democracies in Southern and Eastern Europe. Ambassador Renato Ruggiero, in his 1995 Lecture, "The Global Challenge: Opportunities and Choices in the Multilateral Trading System," takes the same view not just of the EU but also of the global trading regime. It was designed, above all else, not to promote economic welfare per se, but to promote peace and security within the cold war context.<sup>8</sup>

There is some truth to this account. From the launching of the Schuman Plan to the Maastricht Treaty, major decisions in the history of the EU were often pursued by those who had the threats of Soviet expansionism and German nationalism in mind. This was particularly true of the German conservative leaders Konrad Adenauer and Helmut Kohl. As a matter of international relations theory, there is reason to believe, in Europe as in the global system, that such concerns added to the incentives of particularly powerful and competitive states to promote multilateral trade liberalization.<sup>9</sup>

Yet it is important not to exaggerate this point. The newest generation of historiography on the EU, based on the recent release of confidential documents, reveals that elite decision-makers among the Six were generally more obsessed with economic policy goals than with geopolitical aims.<sup>10</sup> European integration has in fact always been more about commercial gain and less about peace and liberty than politicians have admitted publicly. Non-economic arguments for integration were more often used as a public justification for policies that reflected rather narrow economic self-interest.

Consider first the Schuman Plan, later the European Coal and Steel Community (ECSC) of the early 1950s—perhaps the clearest case of a

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8. Ruggiero, p. 63.

9. For analyses along these lines, see Joanne Gowa, *Allies, Adversaries and International Trade* (Princeton: Princeton University Press, 1994); Marc Trachtenberg, *A Constructed Peace? The United States, the NATO Allies, and the Making of the European Settlement, 1949–1963* (Philadelphia: University of Pennsylvania Press, 1998).

10. By this I mean economic interest as defined by powerful domestic interest groups and electoral pressures, not aggregate welfare, although the two sometimes overlap. Many economists take the view that if the EU cannot be economically motivated, a strict economic assessment would favor a multilateral trading system instead, but this overlooks the domestic political imperatives of trade policy.

European proposal undoubtedly motivated by the desire to stabilize peace, democracy, and centrist domestic coalitions in Western European countries. The rhetoric of the Schuman Plan, with its vision of ridding the continent of war, has influenced perceptions of European integration ever since. Yet even in this case, recent historical research reveals the considerable extent to which the ECSC was also motivated by narrow economic self-interest. We forget that Jean Monnet was at the time not just an activist for Europe but also the chief of French planning, and his domestic goals required him to obtain the natural resources, notably steel, necessary to fulfill his industrial schemes abroad, not least in Germany.<sup>11</sup>

Even if we were to concede the dominance of geopolitical concerns in this case, things had changed fundamentally just five years later. It is often forgotten that the customs union plan of 1955–57 that gave rise to the European Economic Community (EEC) was perceived by the "founding fathers" of the EU as a decisive break with the initial conception of the European economic integration as a means to prevent war. When discussions began in 1955, Spaak, Monnet, and Pierre Uri had proposed to carry on in the spirit of the ECSC by regulating "strategic" sectors that could support warfare, notably transport and atomic energy, and doing so through a centralized regulatory agency. Within a matter of days, however, German business leaders, who had resented meddling by the ECSC High Authority between 1950 and 1955, and who had grown internationally competitive enough to favor trade liberalization, vetoed any such proposal outright. European leaders therefore sought another proposal.

The proposal for a customs union was the brainchild of the Dutch Foreign Minister Willem Beyen, not particularly known for his pro-European views, and was only reluctantly accepted by Spaak and Monnet as a quid pro quo to keep the transport and atomic energy plans alive. Over the next eighteen months, Monnet visited Adenauer several times to beg him to kill the EEC, arguing not just that it was unrealistic, but that trade

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11. Alan S. Milward, *The Reconstruction of Western Europe, 1945–1951* (Berkeley: University of California Press, 1994); Francis M. B. Lynch, *France and the International Economy: From Vichy to the Treaty of Rome* (London: Routledge, 1997). Some have challenged details of this analysis, but not its core.



liberalization, by its very nature, was apolitical.<sup>12</sup> Yet the EEC, as the only acceptable proposal for most of the major economic interests involved, remained at the core of the discussions and became the major substantive basis for the “relaunching” of Europe in the mid-1950s. Transport cooperation and EURATOM, the residue of the old Monnetist conception of integration as a means to prevent war embodied in the ECSC, persisted only in a moribund, essentially symbolic form. Thereafter, if not before, European integration was an essentially commercial project.

During much of the subsequent history of the EEC, European governments continued to be motivated more by butter than by guns—quite literally so, in the case of the Common Agricultural Policy. Consider the episode widely considered to be the most salient geopolitically motivated act of European policy in the 1960s: de Gaulle’s veto of the first British EU membership bid in 1963. De Gaulle’s celebrated action is almost universally interpreted as having resulted from his geopolitical aim of establishing France and Europe as a political-military entity independent of the U.S. and, therefore, of Britain. Yet the documents now demonstrate—unambiguously, in my view—that de Gaulle was motivated primarily not by geopolitical rivalry with Atlanticist Britain, but by the desire to protect French commercial prerogatives, most importantly in agriculture. Certainly commercial concerns were more salient in the internal deliberations, to an extent that appears sufficient to have triggered a veto.<sup>13</sup>

The motivations behind other major decisions through the years were similarly commercial. There is general agreement among scholars today that the desire to overcome economic “Eurosclerosis” was the primary motivation behind the Single European Act of 1986.<sup>14</sup> It can quite plausibly be argued that the support for monetary integration between 1970 and 1992

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12. This interpretation is not controversial. See the finest biography of Monnet, by his former close associate, François Duchêne: *Jean Monnet: The First Statesman of Interdependence* (New York: Norton, 1995). Also Moravcsik, *Choice for Europe*, pp. 145; also 140, 151-152.
  13. Andrew Moravcsik, “De Gaulle between Grain and *Grandeur*: The Economic Origins of French EC Policy, 1958–1970 (Parts I and II)” *Journal of Cold War Studies* (Spring 2000 and Fall 2000). See also Moravcsik, “Le grain et la grandeur: les origines économiques de la politique européenne du général de Gaulle (Partie I et II)” *Revue française de science politique* (August 1999 and February 2000).
  14. For example, Wayne Sandholtz and John Zysman, “1992: Recasting the European Bargain,” *World Politics* 42 (December 1989), pp. 95-128.

by leaders like Schmidt, Giscard d’Estaing, and François Mitterrand owed as much to the economic interest of their respective nations as to geopolitics. Monetary integration did not simply reduce the transaction costs of investment in Europe, it freed European monetary policies from constraints imposed by an unstable U.S. dollar and an unaccountable German Bundesbank—or it was at least widely perceived as doing so.<sup>15</sup>

Overall, it is hard to deny that European politicians have always been pragmatists quite attentive to commercial considerations, no matter what additional geopolitical and ideological considerations were adduced to support their positions. Though economists rarely see it this way, producer groups believed that the EU had considerable advantages over the multilateral trading system under GATT and the WTO, since it permitted trade liberalization that has been at once more intense and more closely tailored to European interests. To be sure, as Dahrendorf notes, geopolitical concerns rendered Germany somewhat more forthcoming than pure economic interest would have dictated. In a series of crises with the Soviet Union and its client state on German soil, Adenauer, Brandt, and Kohl employed European integration effectively to muster support among the Western allies.<sup>16</sup> German willingness to fund the Common Agricultural Policy in the 1950s is difficult (though perhaps not impossible) to explain any other way.<sup>17</sup> Most of the time, however, European integration has been powered by the pragmatic search for commercial benefits in the world’s most economically interdependent continent.

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15. Thomas H. Oatley, *Monetary Politics: Exchange Rate Cooperation in the European Union* (Ann Arbor: University of Michigan Press, 1997); Jeffrey Frieden, “The Impact of Goods and Capital Market Integration on European Monetary Politics,” *Comparative Political Studies* 29 (1996), pp. 193-222; Kathleen McNamara, *The Currency of Ideas: Monetary Politics in the European Union* (Ithaca, NY: Cornell University Press, 1997); Moravcsik, *Choice for Europe*, Chapters 4, 6, and, for a balanced assessment of economic and geopolitical concerns, Chapter 7.
  16. Dahrendorf, p 83.
  17. Though, of course, the German government demanded and received high support prices as a quid pro quo, with the result that a country that had exported almost no agricultural goods in the 1950s became the world’s sixth largest agricultural exporter.

### Life Without Illusions: The Exceptional Role of Britain

Some countries have consistently resisted both commercial and geopolitical justifications for European integration. It is in Britain that we find generally lukewarm support for the EU, and a vociferous, deeply entrenched “Euroskeptical” minority.<sup>18</sup> European integration has been more controversial there than in almost any other member state. In his 1994 Spaak Lecture, “The Disappointing Partnership Between British Governments and Europe: Why the Paul-Henri Spaak Tradition Rarely Embraces London,” the late Lord Jenkins, leader of pro-European forces, former president of the Commission and then a leading member of the House of Lords, addresses the central puzzle of British EU policy over the past half century: How can we account for Britain’s “persistent self-defeating semi-detachment” with respect to the European project?<sup>19</sup>

British “exceptionalism” on Europe poses a double puzzle. First, why have the British tended to hang back from new European initiatives, whether the ECSC in the early 1950s or Economic and Monetary Union (EMU) in the 1990s? Second, why have the British also tended to (in Lord Jenkins’s apt metaphor) “running along the track of the departing train and hoping that we can clamber aboard” at the next convenient point? The latter is a habit, he rightly notes, “conducive neither to comfort nor to national dignity,” one that in practical terms, “guarantees that we never play an effective role in shaping the institutions which we subsequently join.”<sup>20</sup> Such demands, needless to say, elicit little sympathy from other European governments. Indeed, until very recently, the result has been a policy at the “extreme of illogicality,” in which, on the one hand, the British government generally supports à la carte or multiple-speed policies, yet violently opposes any effort by others to move ahead without the UK, on the other.<sup>21</sup>

18. For an overview of Euroskeptical opinion with somewhat greater attention to France, see Ronald Tiersky, *Euroskepticism: A Reader* (Lanham: Rowman and Littlefield, 2001). Jenkins cites Thatcher as rarely saying anything positive about the EU, and he cites her amusing judgment of her continental counterparts as “a rotten lot, except maybe for Schmidt.” Jenkins, p. 57.

19. Jenkins, p. 60.

20. Jenkins, p. 55.

21. Jenkins, p. 59.

Lord Jenkins sets out in search of a “general theory” to explain this phenomenon. He begins, in fine social scientific form, by succinctly and convincingly dismissing some spurious explanations.<sup>22</sup> British exceptionalism, he concludes, is too consistent to be attributed only to particular individuals, too enduring to be the result of nostalgia for empire, and too much in conflict with U.S. policy to stem from a hankering after an Atlanticist “special relationship.” Nor can it be attributed to poor British linguistic skills (for the French are worse) or to Lockean skepticism of continental Cartesianism *à la française* (for the Irish have managed, at least until recently, rather well in Europe).

What, then, is the explanation? To be sure, it is with some disappointment that one turns to the last page of Lord Jenkins’s essay to find a brief concluding paragraph that begins, “I am sorry not to give you a more definitive answer . . .,”<sup>23</sup> yet his search uncovers two very promising leads.

The first has to do with what Lord Jenkins terms the “peculiar rigidities of the British political system.”<sup>24</sup> British parliamentary support for Europe rests on a cross-party coalition between center-right and center-left. Over the years, this is how it has been in most European political systems: support for the EU comes from the center, while opposition arises on the far left (e.g., French and Italian communists, the left wing of the British Labour Party, and even the social democratic parties of Scandinavia) and the nationalist far right (e.g., Poujadists, Thatcherite British Tories, current anti-immigrant parties, and sometimes the French Gaullists). What is distinct in Britain, Lord Jenkins rightly observes, is a singular inability to manage this delicate political situation so as to permit the government to act.

This persistent failure to manage domestic conflict productively invites us to reflect on deeper characteristics of the British political system. While many factors might contribute to this pathology,<sup>25</sup> perhaps the most

22. Jenkins, pp. 59-60.

23. Jenkins, p. 61.

24. Jenkins, p. 59.

25. One is the lack of presidential government, an institutional characteristic that appears to have contributed much to French support for the EU under both the right (de Gaulle and Chirac) and the left (Mitterrand). Another is the “first past the post” electoral system, which undermines the power of smaller centrist parties—one thinks of the German Free Democrats, the French UDF, and many others on the continent—that often contribute to pro-European centrist parliamentary coalitions. The positive role of the Liberal Democrats in Britain, weakened though they are, is striking in this regard. Also, the



important for our purposes here is the lack of a large, organized communist opposition, a characteristic that strikingly differentiates Britain from Italy, France, and (albeit indirectly, via national division) even Germany. In these countries the threat from a highly organized radical left, powered in part by internationalist views, led postwar centrists to embrace European integration as an alternative conception of cosmopolitan idealism.<sup>26</sup> The lack of such a threat is a characteristic that Britain shares with other less federalist countries, notably Denmark, Sweden, Norway, Switzerland, and Ireland, and it lends European integration less ideological force.

The second intriguing lead uncovered by Lord Jenkins is the British tendency to view European integration primarily as a matter of trade. Jenkins maintains that trade is an inherently uninspiring matter. As the ambitious young Gladstone bitterly complained a century and a half ago after he was relegated early in his career to head the Board of Trade, it is the management of “packages.” Trade still fails to inspire widespread public support, while “Europe is and must be about men and women, and peace and politics and security, and art and life and buildings and ecology, and wider purpose than packages.”<sup>27</sup> The argument appears to be that Britain failed to generate widespread belief in the ‘European myths’ discussed earlier.

Lord Jenkins is quite correct that economic incentives have dominated British policymaking over the past half century. Indeed, recently released confidential documents reveal that commercial concerns were far more important than most, even Jenkins, believed at the time or have believed ever since. In 1955, the British government’s choice to favor the maintenance of Commonwealth trade over trade with the Six made perfect sense in commercial terms: the Commonwealth took 52 percent of British exports, the Six only 12 percent. France and Germany, by contrast, exported two to three times as much to each other and members of the proposed EEC. As

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selection of candidates for parliamentary elections by decentralized party activists, notably in the Conservative Party, tends to encourage the selection of more or less centrist candidates.

26. The trajectory of the French Christian Democratic Party, the Movement Républicain Populaire (MRP) of Jean Monnet and Robert Schuman, is a good example. The MRP began the postwar period a Euroskeptical party, but switched in large part in order to contest the communists for the rural electorate. See Serge Berstein, S. J. M. Mayeur, and Pierre Milza. *Le MRP et la construction européenne* (Bruxelles: Éditions Complexe, 1993).
27. Jenkins, p. 58.

the relative weights of British trade with Commonwealth and continent reversed between 1955 and 1965, so did British policy. We now know that Harold Macmillan’s primary motivation for launching the first British application to the EEC in 1961 was his understanding that trade was shifting rapidly from the Commonwealth to the continent. Avoiding commercial exclusion from Europe became the single most important priority of British policy, for if Britain were unable to export, neither guns nor butter would be affordable.<sup>28</sup>

Commercial concerns continued to dominate British policy over the decades that followed. The positive outcome of the referendum of 1975, for example, was decisively shaped by the intervention of British big business, which permitted the “Yes” campaign—in which Jenkins played a leading role—to outspend their opponents ten to one.<sup>29</sup> In the years that followed, the major issue around which British opposition formed was the Common Agricultural Policy, which burdened British taxpayers while creating relatively few allies in Britain’s tiny agricultural sector. Jenkins notes also the particular irony of Margaret Thatcher, the most Euroskeptical leader of Britain in the postwar period, who presided over the advance to the Single Market—“the one major step towards integration taken in Europe in the past half century in which Britain was not left tagging along behind”—in large part due to her commitment to free trade.<sup>30</sup>

The non-ideological nature of the British approach to Europe may well account for the characteristic passivity of British policy toward Europe. At most turning points, as Jenkins suggests, economic interest rather than geopolitical calculation or federal idealism dictated British participation in Europe. Yet the absence of a domestic political rationale for action—in particular, the absence of organized communist opposition at home—meant

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28. For the argument in detail, see Andrew Moravcsik, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (Ithaca: Cornell University Press, 1998), pp. 122-135, 164-176, 274-285. Also Jacqueline Tratt, *The Macmillan Government and Europe: A Study in the Process of Policy Development* (New York: St. Martin’s Press, 1996.) More recently, see Alan S. Milward, *The Rise and Fall of a National Strategy: The UK and the European Community* (London: Oxford University Press, 2002).
29. David Butler and Uwe Kitzinger, *The 1975 Referendum* (London: Macmillan, 1976); Anthony King, *Britain says Yes—The 1975 Referendum* (Washington: American Enterprise Institute, 1977).
30. Jenkins, p. 57. This was true when Lord Jenkins spoke. Now we must add Tony Blair’s recent proposals in foreign and security policy.

that partisan and public support was weak. Accordingly, British participation was less enthusiastic (and often slower to emerge) than that of its continental counterparts.<sup>31</sup> Rather than responding swiftly or strongly, Britain became “an awkward partner.”<sup>32</sup>

While this explains British policy through the mid-1990s, one cannot help but perceive that in today’s post-cold war period Britain is less exceptional in Europe than ever before. This is so in part because creative diplomacy has moved Britain closer to the heart of Europe. Though Britain remains a persistent objector on EMU, Prime Minister Tony Blair has moved Britain to the middle of efforts to construct a common foreign and security policy. He has brilliantly usurped the traditional position of the French by advancing proposals for foreign policy cooperation that contain a tinge of idealism and not a little self-interest, and doing so in a way that makes it impossible for either France or Germany to oppose them.

The United Kingdom is also less exceptional because Europe has become more British. Public debate within other EU member states, even the original Six, has moved in a more skeptical direction. On the continent, the end of the cold war and the disappearance of a domestic communist opposition (with former communist voters disseminated among other parties) appear to have legitimated more pragmatic views. The addition of new members with very different political traditions, most notably in Scandinavia, adds to the momentum. In the former Eastern Europe, many governments take a more pragmatic view of the EU. Britain’s traditional concerns about the “democratic deficit” are shared by others, and its view that the Council should be strengthened commands widespread support, while traditional federalists like Germany and Belgium are on the defensive. At the current moment, Britain’s more pro-American position on the Middle East and the Iraq War appears to commend as much support across European governments (though not necessarily European publics) as does Franco-German skepticism of U.S. policy—as attested by a letter signed by

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31. One might also argue that Britain benefited less broadly from membership in economic terms, thereby undermining domestic support. For a consistent economic interpretation of cross-national public opinion support for the EU, see Matthew Gabel, *Interests and Integration: Market Liberalization, Public Opinion, and European Union* (Ann Arbor: University of Michigan Press, 1998).

32. Stephen George, *An Awkward Partner: Britain in the European Community* (Oxford: Oxford University Press, 1990).

nine governments in support of U.S. policy. All this seems to suggest that however important the ‘European myths’ may or may not have been in the past, EU politics is now justified in a more concrete and pragmatic way—and not just in Britain.

### Are the European Myths Accurate?

Some may find the preceding discussion a somewhat arcane historical diversion into national motivations. After all, from *Sonntagsreden* in Germany to the abstract analyses of American academics, nearly every commentator on European politics over the past fifty years has viewed the EU, after the fact, as a decisive force preventing a European war. The practical-minded reader might thus conclude that whatever the motivations—that is, whether politicians really believed what they said or simply used geopolitical concerns as justification for the pursuit of commercial gain—European integration has had stabilizing impact on European politics. Is this not the EU’s real contribution to postwar regional order?

Here Lord Dahrendorf finds convincing reasons for skepticism. Politicians may have sincerely believed over the years that economic liberalization promotes democracy and peace, but Lord Dahrendorf believes they were mistaken and that the linkage was spurious all along. Worse, the notion that economic integration can spill over into geopolitics, as founding fathers like Robert Schuman, Spaak, and Monnet believed, is not just fallacious, it is the “fatal flaw” of the EU. This public ideology, Lord Dahrendorf asserts, is based on two questionable connections between economic integration and geopolitical stabilization, one direct and indirect. In his view, it encourages the acceptance of schemes that lack a sound economic or public rationale, and thus undermines the European integration process. Let us examine this argument in detail.

First, does European economic integration inevitably spill over into political and security cooperation? Some believe that success in economic areas, say trade, necessarily creates political or institutional support for cooperation elsewhere. This was the view of Monnet, Spaak, Walter Hallstein, and others of that generation—though most of them tended to believe that areas of strategic significance and high government regulation, such as atomic energy, would work best.

Lord Dahrendorf is dismissive. "If we want political union," he states flatly, "no economic subterfuge will get us there."<sup>33</sup> And again he has a valid point.<sup>34</sup> Economic integration seems to have done relatively little over the years to advance European cooperation in non-economic matters. There have been notable successes in deploying international institutions to stabilize postwar Europe—the Marshall Plan, NATO, the Organization of Security and Cooperation in Europe, and the European Convention on Human Rights come to mind—but these lie outside the EU, and all but one predate it.<sup>35</sup> Those areas of EU success in foreign policy coordination appear to have proceeded parallel to economic integration, rather than as a result of it.

Second, does European economic integration actually promote peace by removing incentives for war? This view, first developed by Schuman and Monnet, remains widespread. It is advanced in classic form by Ellemann-Jensen, who argues that the EU has succeeded in rendering war between its members "not only unlikely and unbelievable, but also impossible for practical reasons."<sup>36</sup> Ruggiero voices concern about the possibility of excessive regionalism, "with all the consequences this would imply for political stability and security." He concludes: "If we decrease our imports from the developing countries, we decrease their growth and our growth alike...[and] will just increase instability, violence, war and terrorism."<sup>37</sup>

33. Dahrendorf, p. 89.

34. This conclusion is surely a bit overstated, since spillover does appear to exist within the economic area, from trade to money, for instance, and has had important political consequences. For example, the creation of the Single Market contributed to investment and capital flows that encouraged monetary union—though even here the most recent research suggests that high trade and capital flows in Europe are, for the most part, not induced by European integration but are largely a function of underlying resource endowments and global economic trends. For state-of-the-art econometrics on the question, see Jeffrey A. Frankel, Ernesto Stein, and Shang-Jinwei, *Regional Trading Blocs in the World Economic System* (Washington DC: Institute for International Economics, 1997.)

35. Even EU institutions for foreign policy coordination lie outside the supranational "first pillar."

36. Ellemann-Jensen, this page will have to be changed, argues that "today war between member states of the European Union is not only unlikely and unbelievable, but also impossible for practical reasons"—an outcome he attributes to the EU.

37. Ruggiero, pp. 77-78.

Lord Dahrendorf will have none of it. "One must be allowed to wonder," he writes, "whether it was actually European integration which has prevented wars at least among the members of Europe's communities after 1945."<sup>38</sup> And he is no longer alone in voicing skepticism about this linkage. The issue was publicly debated, with considerable sophistication, during the French referendum on the Maastricht Treaty, and is increasingly challenged in European circles.

Both the historical record and social scientific analysis seem to confirm Lord Dahrendorf's skepticism—at least in the postwar European case. Nearly everything we know about international security affairs suggests that democratic governance alone is sufficient to prevent war; trade has a secondary impact, and membership in international organizations almost none.<sup>39</sup> And in the particular case of postwar Europe, the evidence is scant that the EU either prevented war or promoted democracy among the Six. From the beginning of this period to the end, no two Western European governments (members of the EU or not) even considered threatening one another with military attack. The resolution of territorial disputes in the Saarland and the integration of Germany into the Western alliances, the last outstanding issues that might plausibly have eventually led to war, took place before the founding of the European Community in 1957. By that time, democracy in the *Bundesrepublik* had been consolidated, and it is far-fetched to assert that the ECSC, launched in 1952, contributed much to a process of German democratization that was also propelled forward by the Nazi debacle, Allied occupation, the Soviet threat, and Adenauer's strong leadership. Lord Dahrendorf, who is as qualified as any living scholar to make such a judgment, is correct to "doubt whether the role of European institutions in creating a firm social basis for Germany's democratic political institutions was more than marginal."<sup>40</sup>

38. Dahrendorf, p. 82.

39. For a detailed discussion, see John R. O'Neal and Bruce Russett, *Triangulating Peace: Democracy, Interdependence, and International Organizations* (W.W. Norton & Company, 2001).

40. Dahrendorf goes even further and disputes the link between economic growth and democracy. He writes, "It is tempting to interpret the history of postwar Europe as one of political stabilization by economic growth and prosperity. Yet here as elsewhere one must beware of the elementary confusion between correlation and causality. The economic and the political miracle happened at much the same time, but it does not follow that one caused the other." Dahrendorf, p. 83.

The strongest evidence for a linkage between economic integration and regional peace and security is not, in fact, to be found in the early days of European integration, but today. It is difficult to account entirely for the recent decision to enlarge the EU to include Eastern Europe without invoking the belief that economic integration will stabilize Eastern European democracies and ameliorate the resulting social and political dislocation. As Ellemann-Jensen states:

If popular support of the political and economic reforms weaken, it... may not bring us back to the old days of East-West confrontations, with its threat of mutual destruction, but it may unleash the nationalistic forces buried in the soil of Europe... If we should face a situation of turmoil... with new massive movements of refugees and immigrants, the costs will be greater than those needed to prevent it.<sup>41</sup>

Here George Papandreou, in his 1999 Spaak Lecture, "Europe and the Balkans: The Role of Greece," adds a strong voice for viewing the EU as an effective means to stabilize fledgling democracies. He sketches a vision of a united Europe based on democratic governance:

[T]he practice of democracy, the strengthening of institutions, the reduction of economic inequalities, and the rule of law... lies in being members of the European Union and NATO... Every country in Southeastern Europe... [should join the] European Union... We see one sole and unifying path: from totalitarianism to democracy, from violence to peace, from poverty to prosperity. Each country in Southeastern Europe might stand today on a different ground but, they should all be heading in the same direction. There is only one path to becoming part of Europe.<sup>42</sup>

Enlargement, Papandreou argues, is the surest way to eliminate nationalist conflict and other causes of war.

There is an irony here. Belief in the myth that the EU stabilized postwar Europe is greatly exaggerated, yet it has encouraged efforts to pursue the same policy today, with much more convincing results. Access to the vast European market, with far fewer exceptions and limitations than under the WTO, appears to have created a nearly irresistible impetus to political and economic reform. In Romania (1996), Bulgaria (1997), Slovakia (1998),

41. Ellemann-Jensen, pp. 112-113.

42. Papandreou, pp. 103-104.

and in both Croatia and Serbia (2000), authoritarian, ethnically intolerant, and corrupt governments lost elections to democratic, market-oriented coalitions held together above all by the promise of eventual EU membership. Serbia and Montenegro tottered on the brink of civil war and separation until EU foreign policy czar Javier Solana recently threatened that they would not be considered for membership unless they applied together. Without the military-political impetus, one wonders whether enlargement would have proceeded nearly as fast; and without enlargement, one wonders whether recent democratic transitions would have been as successful.<sup>43</sup>

The promise of membership in the EU is perhaps the most powerful and unique instrument of European foreign policy. Indeed, it may well be the most powerful instrument for global peace and security pursued by any countries in the world today—at least equal to U.S. military might.<sup>44</sup> With this observation we move from the assessment of Europe's past to the topic of the final section, the prognosis for Europe's future.

### Has European Integration Gone Too Far?

We have seen that the 'European myths' played an important, though secondary, role in motivating European integration over the years, and we have observed disagreements about the accuracy of those myths.<sup>45</sup> Yet Lord Dahrendorf goes further. Economic integration, he argues, not only fails to promote democracy, liberty, and political union, but the fallacious belief that it can do so—the myth of spillover—is harmful. This belief is no less than a "fatal flaw" that has led the EU "seriously astray." The illusory quest for political union via economic integration, he states categorically, has become an "obstacle rather than a motive force for real political cooperation."<sup>46</sup> This, Lord Dahrendorf believes, is the primary reason why

43. Andrew Moravcsik and Milada Vachudova, "National Interest, State Power, and EU Enlargement," *East European Politics and Society* (forthcoming)

44. Andrew Moravcsik, "The Quiet Superpower," *Newsweek* (June 17, 2002, Atlantic Edition).

45. For a precise balancing of the relative contribution, see Andrew Moravcsik, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (Ithaca: Cornell University Press, 1998).

46. Lord Dahrendorf, pp. 10-11.

integration proceeded beyond initial plans for a customs union, and the source of the current difficulties facing the EU.

Lord Dahrendorf is not alone. Two other Spaak Lecturers—Ellemann-Jensen and, at least implicitly, Ruggiero—highlight the dangers of excessive deepening, another central concern of the ongoing European debate. All tend to be skeptical of monetary union, the Common Agricultural Policy, and many aspects of the general trend toward deeper economic cooperation among existing member states. (The two remaining speakers, Jenkins and Papandreou, are more supportive of a broad European agenda.) One suspects that Lord Dahrendorf's complaint is not so much with ideological justifications for pragmatic policies per se, but with the particular policies that the EU has charted over the last decade. Lord Dahrendorf, here joined by Ellemann-Jensen, is deeply dissatisfied with both the procedural and substantive nature of recent EU reforms—most notably EMU. Not by chance are both Lord Dahrendorf and Ellemann-Jensen leading spokesmen for liberal political parties that are suspicious of government regulation and centralized bureaucracy.

Still, the concerns they raise deserve close examination. They revolve around the status of three core European values: free markets, European unity, and democratic legitimacy. Is the deepening of European integration undermining free trade? Is it fragmenting the EU internally and cutting it off from the outside world? Is it eroding democratic legitimacy? Let us consider each concern in turn.

### Free Markets and the Threat of Protectionism

The first danger posed by deepening of the EU is greater European protectionism. Yet is European integration really beginning to turn protectionist?

Lord Dahrendorf, Ellemann-Jensen, and Ruggiero hint that new reforms threaten to close Europe off from the rest of the world. Economic liberals, among them most professional economists, have long viewed the EU's carefully crafted compromise between free trade and domestic political stability with suspicion. Self-interest has led the British, Danish, and Dutch governments, not to mention that of the U.S., to take a similar view. The greatest conflict is found in agriculture and other sensitive sectors.

Current developments threaten new protection. In EMU and other recent projects, Lord Dahrendorf detects an "inward-looking bias" and

warns, "protectionism and parochialism would be the end of a Europe that matters in the world."<sup>47</sup> Ruggiero documents the striking extent to which the cosmopolitan aspirations of the global trading system are in conflict with the dictates of regional agreements:

Since the creation of the GATT nearly fifty years ago, one hundred and eight regional agreements have been notified. Eighty existing agreements have so far been examined, and only six have been found consistent with the rules I mentioned above (the EU is not one of them)... Clearly there is a need to improve the rules and the procedures under which the WTO's members can assess this crucial relationship... Regional agreements are becoming more and more important... These are elements that could break up the parallelism between regional and multilateral progress.<sup>48</sup>

Viewed from Geneva, the choice is stark. Ruggiero writes: "[T]here is the basic question of the kind of international system we want: a global system based on the principle of non-discrimination embodied in agreed and enforced rules, or a world divided into regional blocs with all the consequences this would imply for political stability and security."<sup>49</sup> For his part, Ellemann-Jensen calls for the EU to offer Central and Eastern European governments "access to our markets—even in sensitive areas like agricultural products, textiles, and steel."<sup>50</sup> He doubts that reform of the EU's Common Agricultural Policy will be easy, and thus he considers WTO pressure a fortunate development in this regard.

With the passage of a decade, however, concerns about the tension between regionalism and globalism apparent in the mid-1990s seem overdrawn. EU protectionism, while certainly a constant concern, is not worsening. The Single European Act (SEA) and, to a surprising extent, the EMU have been implemented with minimal disturbance to the global trading and financial systems. European agricultural policy remains, to be sure, a major barrier to developing country prosperity. Though the recent agreement to perpetuate the Common Agricultural Policy is sobering, it essentially continues the status quo and may be bargained away, at least in part, in the upcoming Doha Round of WTO negotiations. The internal politics of the EU, however, are moving slowly toward renationalization of

47. Lord Dahrendorf, pp. 88, 91.

48. Ruggiero, pp. 76-77.

49. Ruggiero, p. 77.

50. Ellemann-Jensen, p. 103.



the Common Agricultural Policy, a process likely to continue unless pressure from new applicants prevents it.

Perhaps more fundamental is the increasing acceptance (in large part thanks to appreciation of the EU experience) of the notion that trade policy must acknowledge the legitimacy of domestic regulatory protection. The Europeans have learned that this effort cannot be carried by mutual recognition alone, but requires a measure of minimal regulatory harmonization. Whether in environmental, consumer, competition, monetary or social policy, deregulation without "re-regulation" has often proved neither feasible nor desirable. Deepening is therefore required. Jenkins and Papandreou, whose instincts are more favorable to regulation than their three more liberal counterparts, stress the need for balance in which they pay more attention to issues like art, ecology, education, and development—in Jenkins's words, about "wider purposes than packages."<sup>51</sup> The proof lies in the experience of the EU, which over the past twenty years appears to have pursued deepening successfully without succumbing to the protectionist temptation.

### European Unity and the Threat of Fragmentation

The second danger posed by EU deepening is internal fragmentation. Yet, is the EU really disintegrating?

One common concern in this regard, voiced by Lord Dahrendorf and Ellemann-Jensen, is that deepening will slow or block efforts to enlarge the EU. According to this argument, by differentiating among states within the EU and raising the barriers to entry for those outside the EU, excessive deepening increases divisions and conflict within Europe. Lord Dahrendorf charges: "Western Europe has betrayed its principles and promises when, instead of stretching out its hands to Central Europe, it has turned inward to its own so-called *approfondissement à la Maastricht*."<sup>52</sup> Lord Dahrendorf warns of divisive splits between "ins" and "outs;"<sup>53</sup> Ellemann-Jensen warns that critical questions such as the relative voting weights of respective

51. Jenkins, p 58; Papandreou, p 115.

52. Dahrendorf, p. 84.

53. Dahrendorf, p. 88.

member states, the number of commissioners and the reform of the Common Agricultural Policy, have yet to be resolved.<sup>54</sup>

Whereas a decade ago many believed that schemes for deepening monetary, social, and foreign policy might slow or derail enlargement, this fear too has receded. The EU has moved with surprising speed. Surely this critique is unsustainable on the eve of a "big bang" enlargement now slated to include ten new members, with at least two more on the doorstep. To be sure, negotiations with the applicant countries have been difficult, and they have been conducted on terms extraordinarily advantageous to the interests of existing EU member states.

We should not forget that Eastern European states are taking part in this laborious accession process primarily because EU membership brings tremendous economic and geopolitical benefits, particularly as compared to the uncertain and potentially catastrophic costs of being left behind as others move forward. Though the very real danger of a backlash in some applicant countries cannot be ignored, most have already moved substantially toward more open trade with Europe on a bilateral basis and seek an even closer relationship. While the candidates have had to comply with the EU's requirements and acquiesce to certain unfavorable terms, EU membership remains for each a matter of net national interest. (This is precisely why their bargaining power is so weak.) On balance, moreover, the sacrifices demanded of them seem entirely in keeping with the immense adjustment, and the immense benefits, involved. Consistent with Papandreou's analysis, which stresses the fundamental political and economic transformations required for stable democracy, development, and EU membership, most requirements motivate Eastern European governments to implement reforms undeniably required to improve the structure of the state and increase aggregate economic welfare.<sup>55</sup> To oppose this process would seem churlish, even if, in a utopian world, one might hope that the self-interest of existing member states would be less pronounced.

Another cost of deepening may be greater fragmentation within the EU itself. Over the past decade, new forms of EU cooperation have been all but impossible without "multi-track" or "flexible" arrangements—meaning,

54. Ellemann-Jensen, p. 104.

55. For a more detailed analysis along these lines, see Andrew Moravcsik and Milada Anna Vachudova, "National Interests, State Power, and EU Enlargement," *East European Politics and Society* 17, Issue 1 (February 2003).



effectively, that countries can opt in or out. We see such provisions in many policy areas. Initial decisions were taken at Maastricht to move ahead in social policy with fourteen of the fifteen member states and in monetary policy with eleven of the fifteen members. Foreign and defense policy coordination assembles "coalitions of the willing," in which those governments that wish to pursue a particular policy may move ahead without fully committing the others. Similar ad hoc arrangements have long existed in transport, R&D and structural fund policies. The Schengen Agreement, which established a zone free of customs checks, has increasingly been integrated into the EU, though it does not include all EU members and not all participants belong to the EU. Similarly, there will very likely be long transition periods in extending the Common Agricultural Policy to Eastern Europe. General provisions for flexibility have been written into the amended Treaty of Rome, with the intention of resisting both obstructions by Euroskeptical governments and (one suspects) demands for redistribution by newly admitted governments. Such provisions have been uncomfortable for some countries, not least those, like Britain, that are subject to threats of exclusion.

Yet it is unclear why we—and, in particular, why pragmatist liberals like Lord Dahrendorf and Ellemann-Jensen—should be critical of such flexible arrangements. As with enlargement, the record of the past decade is quite positive. A subset of countries moving ahead toward a single currency, a tendency that might have appeared divisive six years ago, now appears rather benign and conflict-free—and the number of members has increased since.<sup>56</sup> The pessimistic prognoses envisaged by Lord Dahrendorf—"political non-viability," shocks derailing the transition, massive domestic unrest—simply have not come to pass. Similarly, can common policies on immigration, social protection, or foreign policy really be viewed, on balance, as divisive?

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56. Lord Dahrendorf also believes that monetary union was simply the wrong policy, which may well be true. But this is not the basis of a general critique of the EU. For skeptical views, see Peter Hall and Robert Franzese, "Central Bank Independence, Coordinated Wage-Bargaining, and European Monetary Union." *International Organization* 52 (Summer 1998), pp. 505-35; and in the same issue, Torben Iversen, "Wage Bargaining, Central Bank Independence and the Real Effects of Money," *International Organization* 52 (Summer 1998), pp. 469-504.

Such a critical position toward flexibility is particularly odd for a sociologist of Lord Dahrendorf's pluralist persuasion about modern society in general. One associates Lord Dahrendorf's brand of liberal sociology with the fundamental premise that a certain amount of political disagreement and conflict is an inevitable and desirable feature of modern politics. Lord Dahrendorf's professed ideal of a "Europe of trial and error" seems well served by flexible arrangements; governments ought to be free to experiment not simply with new unilateral policies but with new multilateral arrangements. The result would be something like the "laboratories of democracy" of the U.S., but with the added option of experimenting with international cooperation. Lord Dahrendorf's own position seems contradictory here. His emphasis on policy experimentation seems to argue for policies that encourage flexibility and diversity with regard to international commitments, like those currently in place in Europe, rather than for the centralized uniformity of a unit veto system that Lord Dahrendorf advocates.<sup>57</sup> Again Lord Jenkins is a useful counterpoint. He notes that tolerance of an open-ended, multispeed EU is surely more consistent with pragmatic British objections to European centralization than is the dogmatic insistence on a right to veto the collective actions of other governments.<sup>58</sup>

### European Democracy and the Threat of Popular Discontent

Given the lack of evidence for either protection or fragmentation, the liberal case against deepening comes down to the essential belief that it exacerbates the "democratic deficit" in Europe. Democratic legitimacy is, of course, the major issue in the EU today and the primary topic of the ongoing constitutional convention. Thus it is fitting that our discussion culminates here.

Today, the EU is almost universally viewed as democratically illegitimate. Ellemann-Jensen takes the liberal (and conventionally Danish) view that this lack of popularity is a function of the EU's ambition to encompass new policy areas and to expand its bureaucracy.

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It seems as though some of [what Robert Schuman called the] "sense of common purpose" was lost when integration was speeded up in order to

57. Dahrendorf, p. 91.

58. See footnote 21 above.

respond to the changes in Europe and has promoted significantly, I believe, the widespread notion of the European Community as a haven for bureaucrats and a centralized organization with too little democratic control. This is why *decentralization, participation, openness, information, and democracy* have become key concepts in the debate on how to reform...the European Union.<sup>59</sup>

Like many European observers, the primary evidence is the behavior of voters in referenda, not least in Denmark.

Developments in my own country can be taken as an example. The Danes voted "No" to the Maastricht Treaty in 1992, causing much delay in the process, but other countries have also witnessed a growing popular discontent with the European Union... The Danish and French referendums on Maastricht clearly showed that the people wanted information and influence on EC decisions, *not* that they were against a unified Europe... It was widely believed that the Community had become too centralized, too bureaucratic, and too removed from the lives of ordinary citizens.<sup>60</sup>

Lord Dahrendorf is similarly critical of the EU's "serious lack of democratic accountability."<sup>61</sup> His assessment of the 1970s ("A democrat must be ashamed to see grown-up parliamentarians enact the farce they have to play ten times a year in Strasbourg and Luxembourg.") appears to have changed little over the past quarter century.<sup>62</sup>

It is not hard to see why this perception is so widespread in Europe today. Arbitrary rule by national and supranational technocrats—"bureaucratic despotism" by a "superstate" in Brussels, as Siedentop puts it—is a widespread concern in regard to contemporary EU politics.<sup>63</sup> This is the stuff of British tabloid articles, often fueled by ignorance of what the EU actually does, but it also underlies much legitimate concern, particular by those at the libertarian end of the political spectrum. This concern, shared by Lord Dahrendorf and Ellemann-Jensen, appears to gain plausibility from the overtly technocratic nature of much EU regulation, the open role played by non-elected officials in Brussels, and the geographical and cultural distance between these regulators and the average European

59. Ellemann-Jensen, p. 102.

60. Ellemann-Jensen, p. 101.

61. Dahrendorf, p. 88.

62. Dahrendorf, p. 87.

63. Siedentop, *Democracy in Europe*.

"person in the street." All this raises suspicions based on the classic liberal justification for democracy; namely, to check and channel the arbitrary and potentially corrupt power of the state.

Nonetheless, it is odd—and, I believe, deeply misleading—to view the EU as democratically illegitimate, much less as a centralized, arbitrary "despotism."<sup>64</sup> It is neither. The threat of arbitrary rule by a European superstate is an illusion. Narrow substantive, fiscal, administrative, legal, and procedural constraints on EU policymaking are embedded in the Treaty of Rome. These exceed the most extreme limitations imposed by national systems, whether consociational or consensus democracies (beyond, say, the Netherlands or Austria of years past), federal systems (e.g., Switzerland, Canada), separation of powers systems (e.g., the United States), and systems with weak fiscal competences (e.g., the United States, Switzerland). To see precisely how and why this is so, let us now consider the most relevant characteristics of EU policymaking.

(1) *Narrow Substantive Scope*: The EU's current activities are restricted to a modest number of the myriad substantive activities pursued by the modern state—primarily those linked to the regulation of policy externalities directly resulting from cross-border economic activity. The core of EU activity and its strongest institutional prerogatives still lie almost exclusively in the area of trade in goods and services, the movement of factors of production, the production of and trade in agricultural commodities, exchange rates and monetary policy, foreign aid, and trade-related environmental, consumer, and competition policies.<sup>65</sup> Excluded from the EU policy agenda are taxation and the setting of fiscal priorities, social

64. This section follows Moravcsik, "In Defense of the Democratic Deficit: Reassessing Legitimacy in the European Union," *Journal of Common Market Studies* 40:4 (November 2002); and Moravcsik, "Federalism in the European Union: Rhetoric and Reality," in Robert Howse and Kalypso Nicolaïdis, eds. *The Federal Vision: Legitimacy and Levels of Governance in the US and the EU* (Oxford: Oxford University Press, 2002).

65. To be sure, there are exceptions. These include a modest level of regional and structural funding of infrastructure (primarily as a side payment for the creation of core policies) and some regulatory controls exceeding narrow market-making functions in a few areas. There is also emerging legislation in immigration and foreign policies, but these often tend to be treated in more intergovernmental procedures, whereas the strongest constitutional prerogatives of the EU remain primarily concerned with market regulation.

welfare provision, defense and police powers, education policy, cultural policy, non-economic civil litigation, direct cultural promotion and regulation, the funding of civilian infrastructure, and most other regulatory policies unrelated to cross-border economic activity.

To be sure, the EU has made modest inroads into some of these areas, but only where it is directly related to cross-border flows.<sup>66</sup> Even within the core functions of the EU, governments are allowed to exempt themselves to maintain high regulatory protection (e.g., environmental and social policy) or to act unilaterally where the EU has not effectively legislated (e.g., air transport). These limitations are not just happenstance; they are the direct result of enduring characteristics of the EU's treaty-based constitutional structure.

(2) *Modest Fiscal Resources:* The EU's institutional capacity to act in new areas is further constrained by its lack of fiscal resources. The ability to tax and spend is what most strikingly distinguishes the modern European state from its predecessors, yet the EU's ability to tax is miniscule. It is capped at about 2-3 percent of national and local government spending (1.3 percent of GDP) and is unlikely to change soon. The spending of these funds, moreover, is explicitly dedicated to a small range of essential policies—the Common Agricultural Policy, structural funding, and development aid—that must periodically be renewed by unanimous consent of the member states.

Consequently, there is little room for discretionary funding by Brussels technocrats, who are generally constrained by the need for unanimous intergovernmental agreement. It is not coincidental that the policies absent from the EU's policy portfolio—notably social welfare provision, defense, education, culture, and infrastructure—require high government expenditure. The EU is thereby rendered what Giandomenico Majone terms a “regulatory polity”—a polity with legal instruments but little fiscal

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66. The scholarly literature on European integration seems to pay disproportionate attention to exceptional cases of spillover in cases such as gender discrimination, the initial experience with environmental policy and structural funding, the jurisprudence of supremacy and direct effect, the Commission's use of Article 90, and the possible, but as yet undocumented effects of the Open Method of Coordination. These are intriguing trends, to be sure, but atypical of the EU as a whole.

capacity.<sup>67</sup> If we define tyranny, as James Otis did over two hundred years ago, as “taxation without representation,” the EU surely does not qualify.

(3) *Limited Manpower:* Analysts often observe that the essential politics of regulation lie in implementation—particularly, one would expect, in a “regulatory polity”—yet the EU implements very few of its own regulations. With the exception of monetary policy, competition policy, and the conduct of, though not the ultimate control over, external trade negotiations (I will address the exceptions to these below), the powers of the EU to administer and implement are in fact exceptionally weak. How could it be otherwise, given the extraordinarily small size of the Brussels bureaucracy? The EU employs fewer officials than a modest European city. They total about one-fortieth the number of comparable civilian federal employees even in the United States, a slightly smaller jurisdiction noted in cross-national perspective for the small size of its national government workforce. In all but a few areas, the task of legally or administratively implementing EU regulations falls to national parliaments and administrations. Furthermore, the EU has no police, military force, or significant investigatory capacity—and no realistic prospect of obtaining any of these. Even if, for example, the most ambitious plans currently on the table in European defense were fully realized, the EU would control only two percent of European NATO forces—and these could be only employed for a narrow range of regional peacekeeping and peacemaking tasks.

(4) *Institutional Checks and Balances:* The EU's ability to act, even in those areas where it enjoys clear competence, is constrained by institutional checks and balances, a multilevel structure of decision-making, separation of powers, and a plural executive. This makes arbitrary action—indeed, any action—difficult, and tends to empower veto groups that can capture a subset of national governments. Such institutional procedures are the conventional tool for protecting the interests of vital minorities—a design feature generally thought to be most appropriate to polities like the EU, that are designed to accommodate heterogeneous cultural and substantive interests.<sup>68</sup> The most fundamental constraint is the requirement of unanimity for amendment of the Treaty of Rome, followed by electoral, parliamentary,

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67. Giandomenico Majone, *Regulating Europe* (London: Routledge, 1996).

68. Arend Lijphart, *Patterns of Democracy* (New Haven: Yale University Press, 1990).

or administrative ratification—a high standard for any fundamental act of substantive redirection or institutional delegation.

The EU has accordingly developed over the past two decades only by focusing on core areas of exceptionally broad consensus, backed by large financial side payments to persuade recalcitrant member states. Whereas judicial decisions like the celebrated *Cassis de Dijon* case may have helped set the agenda for initiatives like the Single Market, monetary union and enlargement, there is now agreement in the scholarly literature that they could not do so without nearly consensual support from the member states. Even “everyday” EU directives must be promulgated under rules that require the concurrent support of between 74–100 percent of the weighted votes of territorial representatives in the Council of Ministers—a level of support higher than required for legislation in any existing national polity or, indeed, to amend nearly any national constitution in the world today. Any piece of EU legislation must therefore command an exceptional level of transnational consensus across Europe.

The EU is not a system of parliamentary sovereignty but one of separation of powers. Power is divided horizontally among the Commission, Council, Parliament, and Court, and vertically among local, national, and transnational levels. Concurrent majorities, generally greater than 50 percent, are required for action. For effective legislation, the Commission must propose, the Council must approve and amend, the Parliament must consent, European and national courts must confirm, national parliaments or officials must transpose into national law, and national bureaucracies must implement.

Even *within* each branch and level of EU governance, we encounter extraordinary pluralism. The Commission itself is a plural executive—so much so that experts disagree whether it is an executive at all. The Council works by deference to consensus opinion; the European Parliament requires unusually high majorities to act; the Court is effective only where supported by national judiciaries. The result is that an exceptionally broad range of interests, represented in an exceptionally broad range of procedures, have a say in EU policymaking.

(5) *Direct and Indirect Accountability*: In nearly all the most important matters of market regulation, the EU is directly accountable to the EP and indirectly accountable to elected national officials. The European Parliament (EP) must approve most EU economic legislation, and it is directly elected, generally by proportional representation within nation-states, and often acts independently of ruling national parties. Whereas one might

criticize the absence of clear programmatic elections, the EP nonetheless has an effective system of party cooperation, with votes most often splitting along party lines and in which recognizable ideological cleavages shape voting patterns. Among the most relevant differences between the EP and national parliaments appears to be the former’s tendency to reach decisions by large majorities. Yet this simply further underscores the tendency of the EU to reach decisions by consensus—which is unsurprising, given the high level of support required in the Council of Ministers.

For over a decade, the EU legislative process has evolved to permit the EP to progressively usurp the role of the Commission as the primary interlocutor vis-à-vis the national governments in the Council. It is now the EP that, late in the legislative process, accepts, rejects or amends legislation in a manner that is easier for the Council to accept than reject—an “agenda-setting” prerogative traditionally accorded the Commission. This should give us considerable confidence that it is legislating in the “European” interest.<sup>69</sup>

Still, there might be reason for concern if the relatively weak EP were the only democratic check, or even the most important one. Yet a still more important channel of accountability lies in the democratically elected governments of the member states, which dominate the still largely territorial and intergovernmental structure of the EU. In the European Council, which is consolidating its position as the EU’s dominant institution, elected heads of state and government wield power directly.<sup>70</sup> In the Council of Ministers, which imposes the most important binding constraint on everyday EU legislation, permanent representatives, ministerial officials, and the ministers from each country act under constant instruction from national executives, much as they would at home.

The bonds of accountability are tight: these representatives can be recalled or reinstructed at will, often more easily than parliamentarians in national systems. In addition, national parliaments can consider and comment on many EU policies, though their de facto ability to influence policy fluctuates greatly by country. In some countries, such as Denmark, they provide real-time input into national positions—a procedure open to,

69. Simon Hix, Abdul Noury, and Gerard Roland. ‘Normal’ Parliament? Party Cohesion and Competition in the European Parliament, 1979-2001” (paper presented at the Public Choice Society conference, San Diego March 21–23, 2002).

70. Peter Ludlow, *The Laeken Council* (Brussels: Intercommunity, 2002).

but not chosen by, other governments. If there is a democratic deficit, then it is at home, not in the European system.<sup>71</sup>

(6) *Transparency*: In contrast to the widespread impression of a cadre of secretive gnomes in Brussels, supranational officials in fact work under intense public scrutiny. In part this is a function of the broad and diffuse forms of representation we have just analyzed. With twenty commissioners and their staffs, fifteen national delegations, over six hundred parliamentarians, hundreds of national ministers and thousands of national officials, *ex ante* parliamentary scrutiny in some countries and *ex post* parliamentary scrutiny in nearly all, combined with the subsequent need for domestic administrative implementation, there can be no such thing as a monopoly of information in the EU. The legislative process works slowly, without any equivalent to ruling by executive decree or pushing legislation swiftly through a friendly parliament, and information appears as plentiful about the EU political and regulatory process, at least at the Brussels level, than about similar processes in nearly all of its member states.

Whereas it is true that certain aspects of the system, such as early discussions in the lower levels of the Committee of Permanent Representatives (COREPER), tend to take place in relative secret, the same might be said of the *de facto* preparation of legislation in national systems. As for regulatory procedures, recent research seems to reveal that the EU processes are as open to input from civil society, and as constrained by norms of “reason-giving,” as the (relatively open) systems of Switzerland and the U.S. Recent research reveals that even discussions within the secretive *comitologie* appear to take due account of public interest considerations.<sup>72</sup>

The conclusion should by now be obvious. No matter what institutional measure we use—substantive scope, fiscal resources, administrative manpower, institutional checks and balances, direct and indirect accountability, and an exceptional amount of transparency—the EU operates under tight legal and democratic constraints. Furthermore, these constraints mandate a level of consultation and openness unheard of in most national polities, dominated as they are by strong prime ministers and often-secretive political party structures.

71. As suggested by the massive literature over the past generation, not least in Britain, on the “decline of Parliament.”

72. Christian Joerges and E. Vos, eds., *EU Committees: Social Regulation, Law and Politics* (Oxford: Hart Publishing, 1999).

## The Roots of Popular Discontent with the EU

If all this is so, then one might well inquire, why is the EU so widely perceived as undemocratic? Many factors contribute to this perception. Most governmental institutions are viewed negatively these days, and the EU is tarred with the same brush.<sup>73</sup> Member states exacerbate the consequences for the EU by blaming it for unpopular but necessary policies—budgetary consolidation, liberalization of service industries, and rejection of demands for protection or subsidies, to name three—which has given it the reputation of being an all-powerful, neo-liberal technocracy. The EU has also manifestly failed to provide the sort of face-to-face political interaction that prevails in small countries such as Denmark. Furthermore, the decentralized EU form of government, with its complex horizontal and vertical separation of powers, appears foreign to most Europeans, who are used to an ideal model of governance that functions, at least in theory, according to parliamentary sovereignty. Yet two other points are particularly relevant to our understanding public dissatisfaction with the EU.

The first is that there is little distinctively “European” or “supranational” about the pattern of delegation to supranational officials we observe in the EU, (except, as we have seen, that these officials are far less numerous and their roles far more circumscribed than their national counterparts.) The late twentieth century saw the “decline of parliaments” and the rise of courts, public administrations, and the “core executive” in almost all advanced industrialized democracies. Accountability is being increasingly imposed not simply through direct participation in majoritarian decision-making, though these remain important (as in the EU), but through complex systems of indirect representation, selection of representatives, professional socialization, *ex post* review, and balances between branches of government.<sup>74</sup>

The critical point for understanding the EU is this: Within the multilevel governance system prevailing in Europe, EU officials (or insulated national representatives) enjoy autonomy in precisely those areas—central banking, constitutional adjudication, criminal and civil prosecution, technical

73. Joseph S. Nye, Philip D. Zelikow, and David C. King, eds., *Why People Don't Trust Government* (Cambridge: Harvard University Press, 1997).

74. Giandomenico Majone, *Regulating Europe* (New York: Routledge, 1998).



administration, and economic diplomacy—that many advanced industrial democracies, including most EU member states, insulate from being directly politically contested. The apparently “undemocratic” nature of the EU as a whole is therefore largely a function of the curious selection of tasks delegated to it.

This pattern of delegation to insulated authorities gives the impression of an undemocratic technocracy (hence the public criticism), but is in fact often fully justified, as it is in many nation-states, by reference to legitimating normative and pragmatic considerations. The most important of these include the need for greater attention, efficiency, and expertise in areas where most citizens remain “rationally ignorant” or choose not to participate; the desire to promote justice, equality, and rights for individuals and minority groups; and the need to provide majorities with unbiased representation.

Consider, for example, one case of the latter: the use of “fast-track” provisions in the U.S. Congress to pass trade legislation. This institutional maneuver is designed to serve the interests of consumers and future producers, both of which are weak, unorganized constituencies, over the opposition of smaller but exceptionally self-conscious and powerful minorities comprised of sectorally organized protectionists. Europeans tend to strongly favor the use of such techniques in the U.S., where trade liberalization would otherwise probably be impossible. Yet these same analysts often tend to overlook that the EU, by virtue of its insulation, performs much the same function in Europe. Similar arguments can be made in favor of courts, central banks, environmental ministries, and many other such insulated institutions. The existence of this justification may help explain why, in those advanced industrial democracies where they play an important role, non-elected branches of government, most notably the judiciary, are often among the most popular. To the extent policies work this way, the EU is more “representative” precisely because it is, in a narrow sense, less “democratic.”

The second point critical to understanding public discontent in Europe—and why holding European elections and calling constitutional conventions does not reduce it—is that the issues handled by the EU are relatively unimportant to European voters (and this is even more so for the second-order institutional choices about how to manage those issues). Of the five most salient issues in most Western European democracies—health care, education, law and order, pension and social security policy, and taxation—none is primarily an EU competence. Among the next ten, only a few (managing the economy and the environment, along with the

anomalous issue of “Europe” itself) could be considered major EU concerns, but none exclusively so.<sup>75</sup> By contrast, the issues in which the EU specializes—trade liberalization, monetary policy, the removal of nontariff barriers, technical regulation in the environmental and other areas, foreign aid, and general foreign policy coordination—tend not to inspire electorates. It is reasonable to believe, therefore, that lack of interest, not lack of opportunity, imposes the binding constraint on European political participation. This explains why European citizens fail to exploit even the limited opportunities they have to influence EU politics—even when polls show that they recognize that the EU is powerful and their own influence is considerable.<sup>76</sup>

Referenda, parliamentary elections, or constitutional conventions based on issues of secondary concern simply encourage informationally impoverished and institutionally unstructured deliberation, which in turn generates unstable plebiscitary politics in which individuals have no incentive to reconcile their concrete interests with their immediate choices. Under such circumstances, public opinion and mass political behavior are notoriously unstable. A typical result is the debacle of the recent Irish referenda on the Nice Treaty, in which public opinion swerved in response to a misleading minor incident involving the Commission, leading to a negative vote—followed by a positive vote some time later. Not only does this demonstrate the existence of significant substantive constraints on EU policymaking, but also it implies—as we shall see below—that even if a common European “identity” and the full panoply of democratic procedures existed, it would be very difficult to induce meaningful citizen participation about issues of little salience.

The outcome is that public opinion and voter behavior in referendum campaigns tends to be volatile, with large numbers of undecided voters and large percentage changes in response to relatively insignificant symbolic events.<sup>77</sup> And it is unclear, even if the Irish were informed and coherent in

75. I am indebted to Professor Bonnie Meguid at the University of Rochester for access to her systematic dataset on issue salience in European democracies.

76. Jean Blondel, Richard Sinnott, and Pelle Svensson, *People and Parliament in the European Union: Participation, Democracy, Legitimacy* (New York: St. Martin's Press, 1998).

77. To be sure, it could be argued that intermittent referenda, such as that in Ireland, help to educate the voters, but it is unclear whether this is worth the potential disruption. Even if it were in cases of treaty amendment (and states remain free to employ such procedures), such an argument certainly would not



their opposition, what notion of democratic legitimacy permits two percent of the European population residing in Ireland to dictate the path of European integration to the other 98 percent and to impose on them the economic costs of any failure to integrate. Lest this seem abstract, it is worth noting that long-term interest rates in East European applicant countries rose by 0.5 percent some months ago on the prospect that the Irish would reject the Nice Treaty a second time.<sup>78</sup>

In order to give individuals a reason to care about EU politics, it is necessary to give them a greater stake in it. The most compelling schemes for doing so rest not on the creation of new political opportunities—European citizens do not exploit the ones they have, despite clear poll data showing that they believe them to be effective—but the emergence of entirely new political cleavages based on intense interest. As in the past, the popular demand for new democratic procedures and human rights requires not just idealist commitment to certain institutional procedures, but intense desire for concrete policy change—a point often overlooked by those who debate the presence or absence of a “European demos”.<sup>79</sup> A European demos could emerge swiftly, if there were clear incentives for citizens, interest groups, political parties, and political leaders to organize it.

Professor Philippe Schmitter of the European University Institute is one of the few analysts to appreciate the dilemma, and he has developed a concrete plan to inspire mobilization around Europe. He proposes that agricultural supports and structural funds should be replaced with a guaranteed minimum income for the poorest third of Europeans, national welfare systems should be rebalanced so as not to favor the elderly, and immigrants and aliens should be granted full rights.<sup>80</sup> With the EU acting as a massive engine of redistribution, individuals and groups would reorient their political behavior on whether they lost or benefited from the system.

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(in the minds of most European voters) justify popular election of European judges, central bank governors, environmental regulators, or (perhaps also) Commission presidents.

78. As reported by the *Financial Times*, (London, England) October 21, 2002.  
 79. Jürgen Habermas, a social democratic idealist, tries hard to avoid this dilemma by invoking general social democratic ideals. But only concrete policy change will do. See Jürgen Habermas, “Why Europe Needs a Constitution,” *New Left Review* (September–October 2001), pp. 5–26.  
 80. Philippe Schmitter, *How to Democratize the European Union...And Why Bother?* (Lanham, MD: Rowman and Littlefield, 2000).

Schmitter offers a coherent scheme targeted at precisely those groups most dissatisfied with European integration today, who are, broadly speaking, the poorer, less well-educated, female, and public sector populations. Yet its utter impracticality demonstrates the lack of a coherent alternative to current, indirect democratic accountability in the EU. Schmitter himself labels his Swiftian suggestions “modest proposals.” To implement such broad-ranging proposals over the objections of most national citizens—including not a few social democrats who prefer to permit richer countries to defend their social democratic systems—would likely destroy the EU. And to insist that such issues be included in order to redress an abstract “democratic deficit” is to place the cart before the horse.

### Conclusion

The preceding analysis suggests that the current system of EU policymaking, though it may seem an overly complex, cumbersome, unfamiliar structure, is in fact well suited to a polity as diverse as the continent of Europe. As we have seen, a complex system of institutional checks and balances keeps the system under tight control. This arrangement is democratically legitimate, even if it is not perceived as such, and no one has proposed institutional improvements that are likely to be both efficient and legitimate. The current mix is quite close to what European publics report they want.<sup>81</sup>

This is perhaps why the last decade, despite considerable public discontent, has witnessed the emergence of a stable institutional equilibrium that serves as a de facto constitution for Europe. The current division of labor—let us term it the “European Constitutional Settlement”—places market regulation largely at the European level; leaves educational, social, fiscal, and infrastructural policies largely at the national level; and suspends foreign policy in intergovernmental institutions straddling the two. The Treaties of Amsterdam and Nice have failed to alter its structure significantly.

The constitutional convention now underway, despite being turbo-charged with Madisonian rhetoric, is unlikely to achieve much more. The most ambitious proposals still under serious discussion, such as incremental

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81. See the public opinion data reported in Richard C. Eichenberg, “Europe and the United States in a Perplexing World,” in Center for International Affairs, *Allies or Adversaries?*

expansion of qualified majority voting or flexibility, creation of a forum for national parliamentarians, and restructuring the European Council and its presidency, consolidate decade-long trends rather than launch new ones. Moves to deepen foreign policy, justice, and monetary policy cooperation appear to require only minor institutional reforms, and few other functional issues of significance are visible on the horizon. In any case, integration will probably advance more slowly, as the stock of desirable *grands projets* is depleted. Barring a severe crisis, this may well be the constitutional order that will govern Europe for the foreseeable future.

It may seem paradoxical that popular criticism of the EU should arise just at the moment when it has reached a satisfactory institutional equilibrium. Yet there is a deeper logic at work, for it is precisely when a polity is stable that its supporters trust themselves to become its critics. The generation of Paul-Henri Spaak would not have dared, even if they had been so inclined, to voice the criticisms we have discussed here. The current generation of Spaak Lecturers, on the other hand, considers it a civic duty. It is encouraging that debates about the future of Europe—like deliberations in the European Parliament—reflect the fundamental split between liberals and social democrats about the proper purposes of government. The EU is becoming a normal polity.

It is nonetheless surprising that the most intense criticism comes from pluralist liberals like Lord Dahrendorf, Ellemann-Jensen, and Ruggiero. One would have thought that they would be very pleased with what they see today. From the start—1957 at the latest—national leaders in Europe have been more pragmatic than they are given credit for, making decisions largely on the basis of concrete considerations of commercial and geopolitical interest. Thus, they constructed the EU through precisely the process of incremental “trial and error” that Lord Dahrendorf recommends. The result is a political system that is binding only where it needs to be, namely in enforcing a core set of market regulations and rather flexible elsewhere. It is an organization that, over the past decade, has deepened without encouraging protectionism, triggering excessive political conflict, slowing enlargement, undermining democratic legitimacy, or generating any of the other disadvantages often attributed to it. For these reasons and others, we must view with considerable skepticism the claim that European integration has gone too far—even as the EU reaches the limits of its economic and institutional development. Even as it has deepened over the past decade, the EU has become—perhaps in part due to the criticisms of liberals—much more like the flexible, open system liberals generally espouse.

In the end, perhaps it comes down to a matter of temperament. Some are very uncomfortable with ideological justifications for pragmatic policies—or elite management even when the public remains suspicious. It is therefore tempting, not least for the scholars among us, to side with Lord Dahrendorf’s aspiration to justify Europe solely as “a matter of the head rather than of the heart,” thereby “closing the gap between realities and aspirations.”<sup>82</sup> Why not then just call the EU what it is—the world’s most successful system of market regulation, without aspirations ever to be the United States of Europe—and leave illusions behind for good? Integration is slowing, and thus the costs of forgoing ideological justifications may not be great. To this, Lord Jenkins would have had a response. Broad public opinion is rarely swayed by complex technical arguments about optimal policy—to paraphrase Walter Hallstein, the celebrated founding commission president of the EEC—in the details lurks only the devil. Convincing European publics to accept fundamental EU reforms, such as the current round of enlargement, may often be—even today, in a Europe without illusions—a matter of the heart.

In the end the lessons of the past decade tend to incline toward Lord Dahrendorf’s view. In an era where democratization has pacified Western Europe, talk of federalism triggers deep public suspicion, and technocratic planning (central banking excepted) has fallen out of fashion, Europe is nonetheless proceeding toward enlargement, monetary integration, and an ever-deepening Single Market. The critical constraints on integration today are not in the policies of countries where ideological justifications hold much weight, but in countries like Denmark, Sweden, Britain, and Ireland, where pragmatic arguments about Europe are the coin of the realm. There is an underlying functional reason why integration has continued in a measured way while ideological support is declining, namely the consistent increase in social support, above all from producer interests, for the economic integration of Europe. Over time, underlying socioeconomic developments and the prior success of the EU in achieving its objectives has created invested economic interests that are the major guarantors of its future stability.

From this perspective, are not the true “Euroskeptics” those who believe that the EU is fragile because it rests on fears of refighting World War II, hopes of realizing federalist dreams, the intermittent “political will” of national leaders, and the unintended consequences of prior actions? And are

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82. Dahrendorf, p. 90.

not the true “Europeans” those who view the EU as a stable form of pragmatic cooperation deliberately tailored to the enduring, increasingly convergent national interests of European firms, governments, and citizens?

## PART II

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### THE PAUL-HENRI SPAAK LECTURES 1994–1999